



**North Carolina Department of Health and Human Services
Division of Mental Health, Developmental Disabilities and Substance Abuse Services**

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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

Michael Moseley, Director

August 3, 2005

MEMORANDUM

To: Legislative Oversight Committee Members
Commission for MH/DD/SAS
Consumer/Family Advisory Committee Chairs
State Consumer Family Advisory Committee Chairs
Advocacy Organizations and Groups
North Carolina Association of County Commissioners
County Managers
County Board Chairs
North Carolina Council of Community Programs
State Facility Directors
Area Program Directors
Area Program Board Chairs
DHHS Division Directors
Provider Organizations
MH/DD/SAS Professional Organizations and Groups
MH/DD/SAS Stakeholder Organizations and Groups
Other MH/DD/SAS Stakeholders

From: Mike Moseley 

Re: **Communication Bulletin #046**
Implementation of New Medicaid Rehabilitation
Option Enhanced Benefit Services



As we have noted on many previous occasions, the implementation of the new Enhanced Benefit services to be covered under the Medicaid Rehabilitation Option is contingent upon the approval of a Medicaid State Plan Amendment (SPA) by the federal Centers for Medicare and Medicaid Services (CMS). In May, 2005, following a visit to the CMS Regional Office in Atlanta, we believed that CMS would approve the SPA in early July. In order to allow sufficient time for Local Management Entities (LMEs), providers, and consumers and families to prepare for the transition to the new services we announced that we planned to implement the new services on October 1, 2005.

Unfortunately, as of this date, CMS has still not approved the SPA. We have not received any indications that the Regional Office has any substantive problems with the SPA; the delay in approval appears to be simply a factor of the process and the workload in CMS. Given the delay in approval, however, we must acknowledge that we will not be in a position to implement the new services on October 1, 2005.

We understand that the uncertainty around the implementation date continues to put stress on the public mental health, developmental disabilities and substance abuse services system and the consumers we serve. In order to reduce the stress to the extent possible, we have decided that we will not make a decision about another target implementation date until we actually receive approval of the SPA from CMS. Once CMS has approved the SPA we will work with the major stakeholders to determine the appropriate implementation date.



It remains our intention to implement the new services as quickly as possible. The new services represent evidence-based best practices which have been proven to provide better support to persons with disabilities. We do not want to delay any longer than absolutely necessary in making these improved services available to North Carolina consumers. Therefore, we expect that LMEs and providers will continue to prepare for the implementation despite this delay. The process of LMEs endorsing providers for enrollment in the Medicaid program should proceed as planned. The Division will continue to work to increase the training opportunities for provider staff to become trained in the new services. It is our goal to take advantage of this delay to complete as much of the pre-implementation work as possible such that the time between CMS approval and the actual implementation date can be minimized.

cc: Secretary Carmen Hooker Odom
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